

EXHIBIT 1

CORBIN B. GORDON, P.C.
ATTORNEY AT LAW
345 WEST 600 SOUTH, SUITE 108
HEBER CITY, UTAH 84032
PHONE (435) 657-0984 • FAX (888) 822-8796
CORBINGORDON@YAHOO.COM

April 13, 2009

Gateway Center, L.L.C.
c/o Vectra Management Group
424 West 33rd Street, Suite 540
New York, New York 10001
Attention: W. James Tozer, Jr.

Ms. Diane H. Banks
Fabian & Clendenin
215 South State Street, 12th Floor
P.O. Box 510210
Salt Lake City, Utah 84151

Re: Request for remediation of building code violation

Dear James:

I represent Cloud Nine Resorts, L.L.C., a tenant in your building at the Gateway Center. As you know, there is a concern that my client's leased space violates the safety code for a common path of egress, which requires a person to be able to choose two divergent paths within 100 feet.

Your architect Arrin Holt has indicated that there is no violation of the code, and referred my client to Phillip Hahn, Senior Staff Architect at the International Code Council. My client sent the drawing attached as Exhibit A to Mr. Hahn and received the e-mail attached as Exhibit B, indicating that it is his opinion there is a violation because the egress exceeds the 100 foot standard by 3 feet. As my client has stated in previous correspondence, at the 100 foot mark neither exit is viewable.

Based on Mr. Hahn's opinion my client has withdrawn from the space and will not occupy it until the building code violation is resolved. My client is simply unwilling to assume the liability of this known risk.

This letter is formal notice of my client's withdrawal from the space and its intent, starting fifteen days from the date of this notice to stop the payment of rent until the safety issue is resolved. If rent is withheld it will be in accordance with *Richard Barton Enterprises, Inc. v. Tsern*, 928 P.2d 368 (Utah 1996), wherein the court held that it is a breach of the covenant of quiet enjoyment (included in the lease at paragraph 22) where

Vectra Management Group
April 13, 2009
Page 2 of 3

the complained of breach has a significant effect on the rental value of the premises. In the present case, the complained of violation creates a hazard that makes the space unoccupiable, thus making the space valueless.

My client does not want to be forced into this position. As such, there are three ways to resolve this issue and to provide the assurance my client needs to once again occupy the premises:

- 1) City Inspectors. The City inspectors have opined that the space is compliant even though OHSA is indicating it is not. If the City is willing to sign a formal letter certifying the space as compliant and indemnifying my client from liability the issue will be resolved.
- 2) Fix the problem. The space could become compliant by running a hallway through the office highlighted in Exhibit C. My client would expect rent abatement during any construction time, and reduction of the rental rate for the office space that will become a hallway.
- 3) Landlord applies to OHSA for a variance from the applicable standard under Utah Code Ann. § 34A-6-202. OHSA has regulatory board that allows for variances from the applicable building code standards. If a variance is formally granted my client will be satisfied and once again occupy the space. Rent abatement would apply during the administrative proceeding.

If no action is taken within the next fifteen days to remedy the situation, my client will contact the enforcement arm of UOSH with a formal complaint and request for investigation.

My client would like to avoid this approach as the involvement of UOSH removes the final capacity to resolve this dispute from both the landlord and tenant's hands. However, my client is unwilling to occupy a space that your own cited expert is indicating is non-compliant, and will not pay rent on space that is unsafe to occupy.

My client is open to any other suggestions that may resolve this problem, including the offer of different office space in the same building. Please let me know how you intend to proceed.

Sincerely,

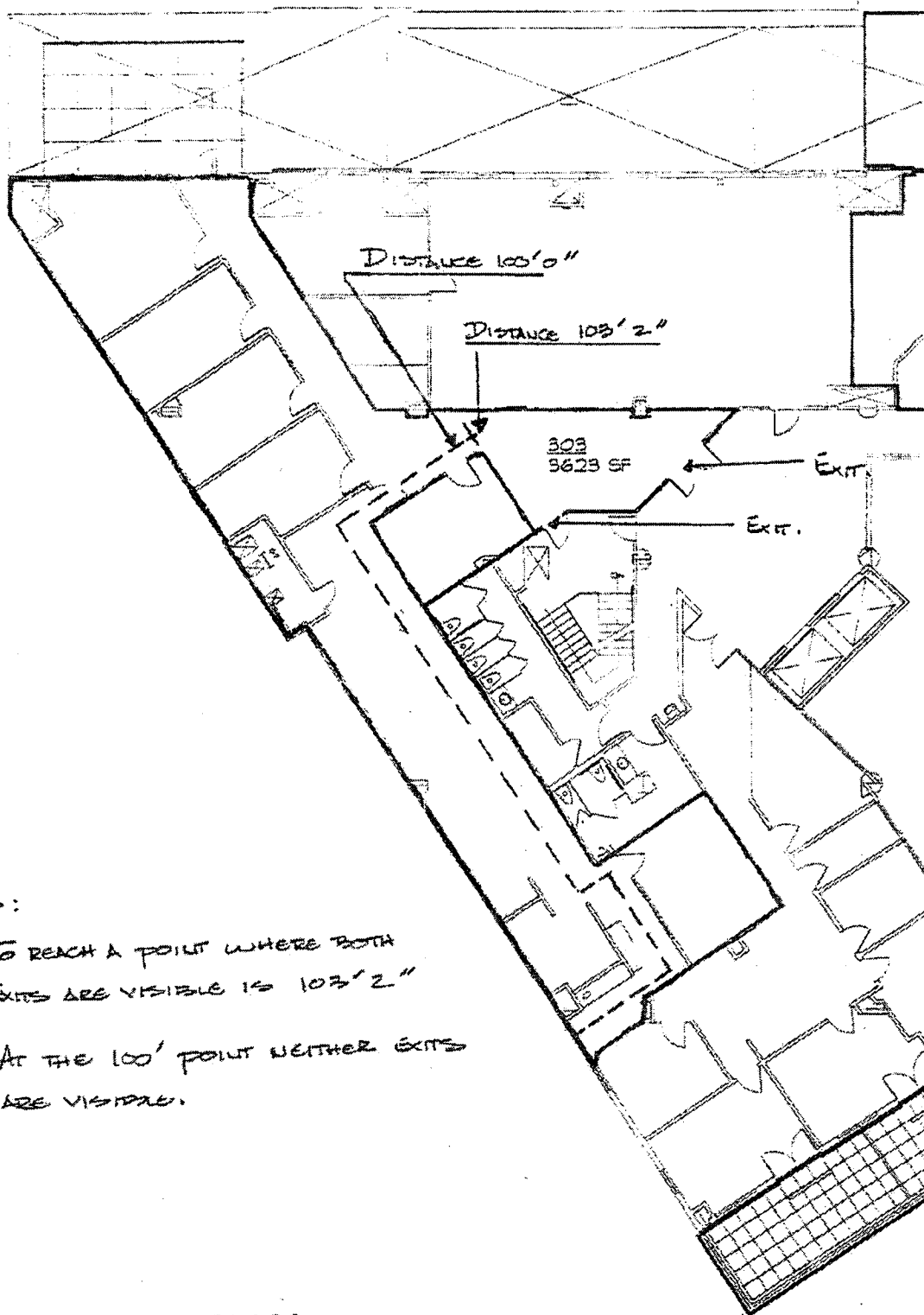


Corbin B. Gordon

Vectra Management Group
April 13, 2009
Page 3 of 3

Cc: Paul Piper
Portfolio Manager - Asset Services
Commerce CRG - Park City office
614 Main Street, Suite 200
Park City, UT 84068

EXHIBIT A



NOTES:

- 1) TO REACH A POINT WHERE BOTH
EXITS ARE VISIBLE IS 103'2"
- 2) AT THE 100' POINT NEITHER EXITS
ARE VISIBLE.

GATEWAY CENTER SUITE 303
COMMON PATH OF EGRESS TRAVEL
DECEMBER 18, 2008

EXHIBIT B

From: "Philip Hahn" <phahn@iccsafe.org>
Subject: RE: Park City - Gateway Suite 303
Date: March 6, 2009 8:02:31 AM MST
To: "William Shoaf" <bshoaf@cloudnineresorts.com>

Bill,

Based on your sketch of 3/3/09, the common path of travel limitation for this tenant space has been exceeded by at least 3 feet. A common path of travel ends at the point where an occupant can choose two divergent paths.

Regards, Phil

Philip Hahn, RA
Senior Staff Architect
International Code Council

Attend new education sessions on Green Building, Disaster Response, Building and Fire Inspection, and more •
Tour post-Katrina rebuilding sites • Earn CEUs/LEUs

Register Today for Codes Forum 2009, March 23–25, in fabulous New Orleans! Visit
www.iccsafe.org/codesforum

From: William Shoaf [<mailto:bshoaf@cloudnineresorts.com>]
Sent: Tuesday, March 03, 2009 10:06 AM
To: Philip Hahn
Subject: Park City - Gateway Suite 303
Importance: High

Paul

Thanks for speaking with me yesterday.

Please see attached a clean floor plan of the leased space with actual measurements. The reality is that you can not see both exits until you reach the corner which puts you at 103 feet 2 inches.

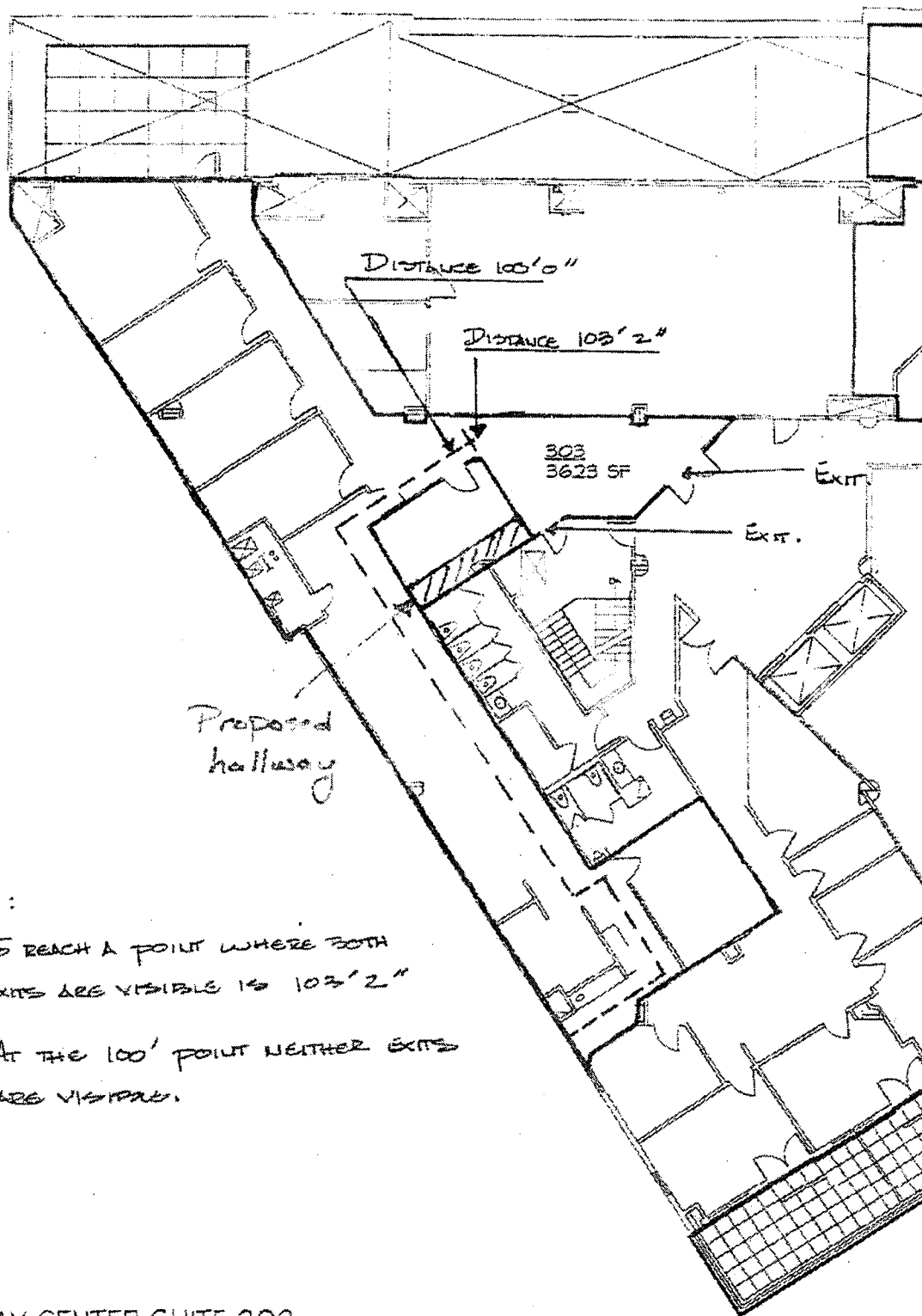
I will call you today to discuss and get your view on this.

Thanks again

Bill

William Shoaf
Managing Director
CloudNine Resorts
136 Heber Avenue, Suite 303
PO Box 683300
Park City, UT 84068
Telephone: (435) 649.6649

EXHIBIT C



Notes:

- 1) To reach a point where both exits are visible is 103'2"
- 2) At the 100' point neither exits are visible.

GATEWAY CENTER SUITE 303
COMMON PATH OF EGRESS TRAVEL
DECEMBER 18, 2008

EXHIBIT 2

> arising in any way from its use.

>

> -----Original Message-----

>

> From: Arrin Holt [<mailto:arrin@crsa-us.com>]

> Sent: Wednesday, May 06, 2009 10:01 AM

> To: W. James Tozer Jr.; Wally Cooper; Paul Piper

> Subject: Suite 301 Egress - 06 IBC 1014.3 & 1016 (PH)

>

> Jim,

>

> Paul Piper, Bob (an associate of Bill Shoaf's) & I measured the travel

> distance in Suite 301 / 303 on Thursday April 30, 2009 with a rolling

> wheel tape. The travel distance measured along a natural walking path

> was 95'-4". We also measured a distance along a path with 90 degree

> corners (as per the drawing Bill forwarded to Philip Hahn) and that

> measured at 102'-6". As we were able to measure a travel distance

> less

> than 100'-0", I felt that this reinforced our position that the

> space is

> code compliant.

>

> After Paul left the building I was approached by Bill & Bob and we

> measured the distance a second time with the same result. We then

> engaged in a lengthy discussion regarding who is to make the

> determination of whether the space is compliant or not. Bill felt

5/11/2009

> that

> the email he received from Philip Hahn conclusively proved that the

> suite is not compliant, regardless of what Ron Ivie & Park City have

> said. I explained to Bill that Philip Hahn serves in an advisory role

> to code officials and that Ron Ivie is the authority having

> jurisdiction. Bill continued to present his case that with

> conflicting

> information, he requires a letter from someone to resolve the

> issue. I

> reminded him that CRSA is in no position to help him with this, as we

> are not the Park City code official.

>

> I returned to my office and sent the email below to Philip Hahn to

> clarify which approach, the natural walking path or 90 degree corners,

> is the most appropriate method for measuring the space. He replied by

> saying that either method is acceptable. His interpretation allows

> for

> the shortest distance, the natural walking path at 95'-4", to be

> considered fully compliant with the travel distance provisions of the

> 2006 IBC.

>

> If we can be of any further assistance, please let me know.

> Thanks,

>

>

> Arrin A. Holt, AIA, LEED AP

5/11/2009

> Associate Principal / Project Manager

> CRSA

> 801.355.5915 Ext. 113

>

>

> -----Original Message-----

> From: David Scott

> Sent: Tuesday, May 05, 2009 5:50 PM

> To: Arrin Holt

> Subject: FW: 06 IBC 1014.3 & 1016 (PH)

>

>

>

> David R. Scott

> Associate Principal

>

>

>

> CRSA

>

> Architecture * Planning * Design

>

> 649 East South Temple

> Salt Lake City, Utah 84102

> 801-746-6833 Direct

> 801-706-4498 Mobile

5/11/2009

> 801-355-5915 Main Ext. 13.

> 801-355-9885 Fax

> www.crsa-us.com

> drs@crsa-us.com

>

> -----Original Message-----

> From: Philip Hahn [<mailto:phahn@iccsafe.org>]

> Sent: Friday, May 01, 2009 8:06 AM

> To: David Scott

> Subject: RE: 06 IBC 1014.3 & 1016 (PH)

>

> David,

> This looks like a case of splitting hairs. In my opinion, either path

> delineated in the two sketches is acceptable. A measurement made

> along a

> right angle path is to be used in rooms and spaces that are expected

> to

> be cluttered with furniture. In this instance that would not be the

> case. I typically keep the path at least one foot away from permanent

> construction, as you have done.

>

> Regards, Phil

>

> Philip Hahn, RA

> Senior Staff Architect

> Chicago District Office

5/11/2009

>

> NEW! Check out ICC's FREE 2009 I-Codes(r) Overview Webinars at
> www.iccsafe.org/09free. Available 24/7 online - simply log in and
> learn

> about the new Codes - for free!

>

>

> -----Original Message-----

> From: David Scott [<mailto:drs@crsa-us.com>]

> Sent: Thursday, April 30, 2009 5:24 PM

> To: Philip Hahn

> Cc: Arrin Holt

> Subject: FW: 06 IBC 1014.3 & 1016 (PH)

>

> Phillip,

> Arrin Holt in my office has been working on this travel distance for

> one

> of our clients. He asked me if I would get an opinion from your

> office.

>

> Thanks in advance

>

> David R. Scott

> Associate Principal

>

>

5/11/2009

>

> CRSA

>

> Architecture * Planning * Design

>

> 649 East South Temple

> Salt Lake City, Utah 84102

> 801-746-6833 Direct

> 801-706-4498 Mobile

> 801-355-5915 Main Ext. 133

> 801-355-9885 Fax

> www.crsa-us.com

> drs@crsa-us.com

> -----Original Message-----

> From: Arrin Holt

> Sent: Thursday, April 30, 2009 4:13 PM

> To: David Scott

> Subject: RE: 06 IBC 1014.3 & 1016 (PH)

>

> Dave,

>

> Could you please forward this to Phillip @ ICC?

>

> You and my firm are becoming involved in a dispute between a code

> official, a commercial tenant and a building owner. The issue at hand

> is a common path of travel interpretation. We have a building which

5/11/2009

> has

> an internal suite of rooms, the most remote location within the

> suite is

> very close to the limit dictated by the common path of travel rule.

> Attached are two drawings which measure the exact same travel path in

> two different ways, we are looking for some guidance as to which

> path is

> most reasonable. Option #1 is a path comprised of 90 degree turns,

> Option #2 is a natural path, one that someone in imminent danger would

> be most likely to take. The dimensions on the plans were verified

> today

> with a rolling wheel measuring tape.

>

> Would you please render an opinion as to which path is the most

> reasonable interpretation of the common path of travel rule?

>

> If you would like to discuss this in greater detail, please feel

> free to

> call me at the number below.

> Thank you for your consideration.

>

> -----Original Message-----

> From: David Scott

> Sent: Monday, February 02, 2009 4:13 PM

> To: Arrin Holt

> Subject: FW: 06 IBC 1014.3 & 1016 (PH)

5/11/2009

EXHIBIT 3

CORBIN B. GORDON, P.C.

ATTORNEY AT LAW

345 WEST 600 SOUTH, SUITE 108

HEBER CITY, UTAH 84032

PHONE (435) 657-0984 • FAX (888) 822-8796

CORBINGORDON@YAHOO.COM

September 17, 2009

Gateway Center, L.L.C.
c/o Vectra Management Group
424 West 33rd Street, Suite 540
New York, New York 10001
Attention: W. James Tozier, Jr.

Ms. Diane H. Banks
Fabian & Clendenin
215 South State Street, 12th Floor
P.O. Box 510210
Salt Lake City, Utah 84151

Re: Notice of Breach of Lease and Request to Remediate

Dear James:

You will recall that I sent you correspondence on April 13, 2009 concerning a building code violation in my client's leased space. The issue was raised when UOSH inspected the property and indicated there was a violation. Since that time my client has dealt with both Park City and UOSH and neither will issue an indemnification letter stating that the property complies with existing safety codes. As such, my client has not been in the space for many months.

I recite this to emphasize that my client did not go looking for this problem. It came to him through a UOSH inspection he did not request. The issue is still outstanding and has not been resolved by either you or city officials.

Over the past three months, while being forced to look closely at ingress and egress issues, several additional lease violations have come to light. This letter is formal notice that the violations are occurring, with the requisite to immediately remediate the problems.

The violations are as follows:

VIOLATION # 1: CAMS charges are being used to pay for taxes, insurance, and maintenance on the parking garage in violation of section 3(b) of the Lease.

Gateway Center, L.L.C.
Diane Banks
September 11, 2009
Page 2 of 3

Published budgets establish that the Gateway Center and the parking garage are being operated as one entity, with no separation of taxes, insurance, services, or costs. The CAMS from the Gateway tenants appear to be paying all of the expenses associated with the parking garage, even though my client's lease states clearly that the parking garage is not a part of the Gateway Center.

This is a clear violation of the lease. Paragraph 1 of the lease defines Property as everything in the Gateway Center except the lower two parking levels. Under the provisions of paragraph 3(b) 1 through 6 my client is only supposed to be paying CAMS for its share of the Property (which excludes the parking garage) for the following: property tax, utilities, maintenance for common areas, insurance, and property management.

Investigation has revealed that the parking garage does not have its own separate meters for the purposes of utilities. There is nothing in the budget for two separate insurance policies, and it appears that management for both entities is being dealt with by the same service provider. This means that the Gateway Center tenants are paying for maintenance and management of the parking garage in violation of the lease, and suggests that every other tenant in the building has overpaid on CAMS in large amounts since the inception of the building.

My client demands that a full audit be performed on the Gateway Center and the Garage and that you prove that no CAMS from the Gateway Center are being used on the garage.

VIOLATION #2: There are no easements for ingress and egress through the parking garage, which is a violation of existing safety code, and the main level of parking is not ADA compliant.

First, I have analyzed the existing agreements and declarations that deal with the Gateway Center and the parking garage, as well as the recorded plat, and none of them address the need for ingress and egress easements through the parking garage for the Gateway Center. At present no such easements exist.

This may sound like a small problem, but it has been magnified by the fact that the parking garage plats have been illegally altered without city approval, adding 7 additional stalls and increasing the approved number of stalls from 84 to 91.

The additional stalls create additional safety violations, because they block where easements need to be for safe ingress and egress should a fire occur.

Next, the main level of parking, where all of my client's visitors are forced to park because the lower level is leased up private parking, is not ADA complaint. There is no ramp to get a wheelchair into the elevators from the main level of parking. The only way

Gateway Center, L.L.C.
Diane Banks
September 11, 2009
Page 3 of 3

to access the building from the main level of parking in a wheel chair is to walk down the ramp, which is slick and icy in the winter, or go outside and around the building to the main entrance, which is also treacherous in the winter. This is completely unacceptable.

My client demands that the additional stalls be removed immediately, that the approved plat with areas for ingress and egress be restored, that easements be recorded through the parking garage for ingress and egress, and that the ADA issue on the main level be addressed. Failure to do so is a violation of the implied warranty of habitability part of every lease.

Under Section 19(b) of the Lease, if my client is in violation of a non-monetary breach, the landlord has a duty to give notice and 15 days to the tenant to remedy the problem. My client will hold the landlord to the same standard.

As such, my client demands that you provide proof that no CAMS charges are being used on the garage, and that the garage has been returned to its original plat with the addition of easements for ingress and egress to comply with existing safety and ADA codes no later than 15 days from the receipt of this letter.

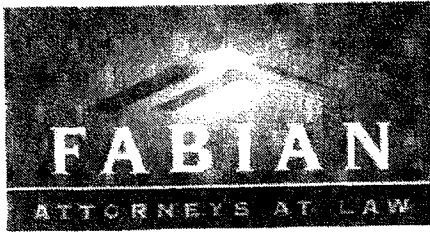
If the appropriate proof is not provided in the time-frame set forth in the lease, my client will hold the Landlord in violation of the lease and abandon the premises.

Sincerely,



Corbin B. Gordon

EXHIBIT 4



Diane H. Banks

Direct Telephone: (801) 323-2202

Direct Facsimile: (801) 532-3370

dbanks@fabianlaw.com

September 24, 2009

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED
#7008-3230-0003-5414-5670

Corbin B. Gordon, P.C.
345 West 600 South, Suite 108
Heber City, Utah 84032

RE: Gateway Center

Dear Mr. Gordon:

We received your letter dated September 17, 2009, on September 23, 2009. There is no basis to demand a full audit of the Gateway Center, LLC (GWC), and the Main Street Entrance Garage, LLC (MSEG), as set forth in that letter. We can assure you that the operational costs for the garage are paid by the condo parking stall owners. That includes the Park City Municipal Corporation who owns all of the stalls on the upper floor of the garage and who pays for all of the electricity in the garage.

As a result, there is no basis for the claims you make in your letter concerning alleged lease violations. Further, as a practical matter, even if there were lease violations (which there are not), a violation would not give rise to a tenant's right to abandon the premises, as you threaten in the closing paragraphs of your letter. There is nothing giving rise to such an action in the lease itself; and, as Easy Street Partners, LLC has recently filed a bankruptcy proceeding, we note that abandonment is also not authorized by the bankruptcy code. The tenant may file a motion to reject the lease in the bankruptcy, or wait the sixty (60) day period for automatic rejection, but otherwise has no right to simply "abandon" the lease as you claim. We are providing a copy of your letter and this response to tenant's bankruptcy counsel to enable coordination of such an effort between your two offices.

We are investigating with Park City the claims made in your letter concerning alleged ADA violations relating to the upper level of the garage. If any such violations exist, the problem will be addressed expeditiously. However, you correctly acknowledge in your letter that Gateway Center does not include the parking garage. Note that the Easy Street Partners, LLC lease does not include any right to park in the garage. As a result, even if there were an

Corbin B. Gordon, P.C.
September 24, 2009
Page 2

ADA violation within the garage, it could not be the basis for a claim that the lease was breached by such violation. There is simply no basis for abandonment on account of such a claim.

Very truly yours,



Diane H. Banks

DHB/der

cc: Kenneth L. Cannon, II (with enclosures)
W. James Tozer, Jr.
Paul Piper

EXHIBIT 5

CORBIN B. GORDON, P.C.
ATTORNEY AT LAW
345 WEST 600 SOUTH, SUITE 108
HEBER CITY, UTAH 84032
PHONE (435) 657-0984 • FAX (888) 822-8796
CORBINGORDON@YAHOO.COM

October 20, 2009

Gateway Center, L.L.C.
c/o Vectra Management Group
424 West 33rd Street, Suite 540
New York, New York 10001
Attention: W. James Tozier, Jr.

Ms. Diane H. Banks
Fabian & Clendenin
215 South State Street, 12th Floor
P.O. Box 510210
Salt Lake City, Utah 84151

Re: Response to September 24, 2009 correspondence

Dear Diane:

I am in receipt of your correspondence dated September 24, 2009, wherein your client makes the statement that "We assure you that the operational costs for the garage are paid by the condo parking stall owners."

You will find attached as Exhibit A a copy of the yearly budget for the Gateway Center. You will note that it includes a section titled "PARKING LOT" establishing that the same company is managing both the garage and the Gateway Center.

There is a combined total of \$114,941.70 in various management fees and maintenance salaries in the budget. All of these fees and salaries are assessed to the Gateway Center as CAMS, while it is evident that the money is also being used to manage and maintain the garage.

You will also note that the budgeted amount for the parking garage is zero, meaning that your client claims there were zero dollars expended on the maintenance and management of the parking garage in 2009. Certainly, such cannot be the case. To avoid being in violation of the lease, your client must establish that not one penny of the CAMS fee goes to maintain or manage the garage. An analysis of the budget shows this to be untrue.

First, as stated above, the garage is not managing itself, and the CAMS fees are clearly paying to have it managed.

Diane H. Banks
October 20, 2009
Page 2 of 4

Second, there are combined CAMS charges of \$47,500.00 for janitorial, \$9,980.00 for janitorial supplies, and \$6,589.56 for Disposal/Trash Removal. There are garbage cans in the garage that get emptied by the janitorial service. Further, the parking stalls in the garage service many who do not even work in the Gateway Center, meaning that any trash generated by the garage is its own. Presently, no portion of the budget is apportioned to the garage's share of these expenses.

Third, snow removal is charged at \$3,100.00 and supplies at \$1,102.00, with none of this shared by the garage. The garage has a large entrance way and snow that falls into that entrance. From what I understand, slush and ice carried in by cars creates a large standing pool of water in the entrance that requires constant maintenance. The budget makes clear that the CAMS from the Gateway Center is paying for this service.

The same arguments apply to Security and Patrol for \$5,760.00, and Accounting Services of \$6,350.00. Someone is managing the leasing of the parking spaces, and accounting for them, and someone is providing Security and Patrol of the garage itself. The budget establishes that these services are provided to the garage at the expense of the Gateway Center tenants.

Having now reviewed the budget my client has deep concerns about Management Fees, CAM management fees, Asset and Renovation Management Fees and Other Maintenance Salaries that combine for a collective cost of \$114,941.70. There seems to be no justification for a management fee this high, particularly where the Asset and Management Renovation Fee does nothing to repair or maintain the building – it is management only. It is my client's position that the CAM management fee and the Asset and Renovation Management Fee are nothing more than ways to extract additional money out of the tenants of the Gateway Center.

Given the evidence, your client will need to give much more than a simple assurance that the operational costs of the garage are paid by the parking stalls. My client insists on a full audit of the use of the CAMS charges, including an analysis of the unreasonably high management fees, and requests a full refund of any and all overpaid CAMS Fees.

Next, your correspondence does not address allegations that the plat of the parking garage has been illegally altered to add additional parking stalls that make the building as a whole unsafe, and your investigation of ADA violations has already confirmed non-compliance.

My client has duly noted an attempt to become ADA compliant on the first floor by simply moving parking blockades back off of their painted line, in an attempt to create a passage for a wheel chair. See Exhibit B. The act is an admission that the garage is not ADA compliant and in violation of the lease. Moving blockades does nothing to resolve the problem. Measurements show that there is only 38 inches between the car and the

Diane H. Banks
October 20, 2009
Page 3 of 4

railing, which is too thin to get a wheelchair between, and the blockades are not secured, meaning that over time they will simply get pushed back to their original position. Further, if they are left where they are the parking stalls now violate city code for being too shallow.

Bigger still, however, is the problem of fire ingress and egress from my client's office space. In the case of a fire, my client has two primary exits: the west and east stairwells. Both have serious fire code violations.

First, the closest exit to my client's space is the west stair well. This goes down three floors and exits into a hallway in the garage (that no easement exists for) and from there into a 34 inch door that opens into 36 inch wide stairwell. Primary fire exits must be at least 44 inches in width, and possibly more depending on the occupancy load, meaning that the exit is non-compliant. The exit is also missing lit emergency exit signage.

Next, the stairwell climbs into an alleyway that serves as another primary exit for a staircase out of the Gateway Center, as well as a primary exit for three other buildings. The potential load on this alleyway in case of a fire would be hundreds and hundreds of people.

The path down the alley way to the street pinches down to 39 inches between a stairway rail and an existing power transformer. Within the 39 inches there is a mere 22 inches of sidewalk that falls approximately 3 inches into loose gravel, guaranteeing that in a panic situation someone will fall and cause a bottle neck and trampling. See Exhibit C. This alleyway could see hundreds of panicked people pushing through what one architect we consulted with called an "almost guaranteed death trap." This is not to mention further restrictions and complications if there were snow. The entire west exit is illegal, dangerous, and non-compliant.

Next, the east exit is also non-compliant because it does not have lighted signs leading to the exit. In a smoke filled environment, the staircase leads to a blockade. With no signage, a person could conclude there was no exit available. See Exhibit D.

Finally, concerning the failure to address my client's contention that the parking garage plat has been illegally altered, I have attached copies of the parking garage plat. You will note that there is an area directly in front of the elevators for ingress and egress. See Exhibit E. Next note Exhibit F, showing that the plat has been illegally altered to add an additional parking stall directly in front of the elevators cutting off ingress and egress except between cars that are oft-times SUVs. This is entirely illegal.

This means that not one of the fire exits from my client's space is compliant. My client refuses to put his employees at risk, and feels strongly that that the Gateway Center is an accident waiting to happen.

Diane H. Banks
October 20, 2009
Page 4 of 4

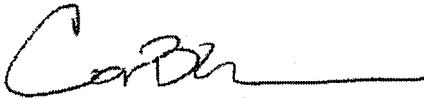
This is not to mention that public parking stalls 76, 77, and 78 are in an area of the garage that has to exit either through a 34 inch door into one exit, or through an area by the elevators that pinches down to 29 inches before exiting into the blocked parking stalls. See also Exhibit F. The whole building is non-compliant, and my client refuses to occupy space therein.

As such, your client is in material breach of its agreement by using CAMS to pay for costs associated with the garage, and by failing to resolve safety issues associated with fire ingress and egress.

My client gave your client opportunity to resolve these issues and to address the CAMS claims, and your client has failed to do so. As such, my client puts your client on notice that it will abandon the premises on October 31, 2009 for material breach of the lease, as set forth above and in prior correspondence. Based on your client's breach, my client has no further obligation under the lease, and demands that it receive a full refund for rent and CAMS for space it has not been able to occupy since early this year due to OSHA issues.

My client desires to settle this matter privately and move on. If such is not possible, it will have no choice but to bring the CAMS and fire issues to the attention of all tenants, and to pursue a collective case against the landlord for a refund of all overpaid fees through the years, as well as insistence that the building be brought into code compliance.

Sincerely,



Corbin B. Gordon

EXHIBIT A

| 2009 Operating Budget Detailed By Month | | | | | | | | | | | | |
|--|-----------|-----------|----------|-----------|-----------|----------|-----------|----------|----------|----------|----------|----------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| TOTAL GENERAL REPAIRS & MAINT. | | | | | | | | | | | | |
| Post Control | 0.00 | 0.00 | 120.00 | 0.00 | 0.00 | 120.00 | 0.00 | 0.00 | 120.00 | 0.00 | 0.00 | 120.00 |
| Plants-Interior | 160.00 | 160.00 | 160.00 | 160.00 | 160.00 | 160.00 | 160.00 | 160.00 | 160.00 | 160.00 | 160.00 | 160.00 |
| Plumbing | 500.00 | 0.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Plumbing-Supplies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Signs | 0.00 | 1,000.00 | 0.00 | 0.00 | 0.00 | 250.00 | 0.00 | 0.00 | 0.00 | 250.00 | 0.00 | 0.00 |
| Windows Cleaning | 0.00 | 0.00 | 0.00 | 0.00 | 850.00 | 0.00 | 0.00 | 0.00 | 0.00 | 850.00 | 0.00 | 0.00 |
| R & M-Other | 520.00 | 520.00 | 520.00 | 520.00 | 520.00 | 520.00 | 520.00 | 520.00 | 520.00 | 520.00 | 520.00 | 520.00 |
| R & M-Supplies-Other | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 |
| Vendor Discount | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL GENERAL REPAIRS & MAINT. | 7,745.00 | 10,815.00 | 6,185.00 | 8,775.00 | 8,815.00 | 7,915.00 | 9,815.00 | 7,345.00 | 7,185.00 | 8,085.00 | 8,185.00 | 8,185.00 |
| EQUIPMENT | | | | | | | | | | | | |
| Equipment-New | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Equipment-Repairs & Maintenance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Equipment-Supplies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Equipment-Service Agreements | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 |
| TOTAL EQUIPMENT | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 | 105.00 |
| PARKING LOT | | | | | | | | | | | | |
| Parking Lot Cleaning & Sweeping | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Parking Lot Repairs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Parking Lot Resurfacing | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Parking Lot Resurfacing | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Parking Lot Rental | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Storm Water Assessment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL PARKING LOT | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LANDSCAPING & GROUNDS | | | | | | | | | | | | |
| Snow Removal | 1,200.00 | 700.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100.00 | 200.00 | 700.00 |
| Snow Removal-Supplies | 250.00 | 250.00 | 250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150.00 | 150.00 | 150.00 |
| Lawn Sprinkler & Irrigation Repairs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 85.00 | 285.00 | 315.00 | 0.00 | 70.00 | 0.00 | 0.00 |
| Landscaping Contract | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Landscaping Supplies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 707.00 | 125.00 | 90.00 | 100.00 | 60.00 | 0.00 | 0.00 |
| Plants & Flowers | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL LANDSCAPING & GROUNDS | 1,450.00 | 550.00 | 450.00 | 0.00 | 0.00 | 792.00 | 410.00 | 405.00 | 100.00 | 400.00 | 350.00 | 850.00 |
| RECREATIONAL FACILITIES | | | | | | | | | | | | |
| Work Out Equipment-Service Agreements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Work Out Equipment-New | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Work Out Equipment-Repairs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Work Out Facilities Repairs & Maint. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL RECREATIONAL FACILITIES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SAFETY SERVICES | | | | | | | | | | | | |
| Security / Patrol | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 |
| Alarms & Telephone Monitoring | 220.00 | 60.00 | 60.00 | 220.00 | 60.00 | 60.00 | 220.00 | 60.00 | 60.00 | 220.00 | 60.00 | 60.00 |
| Fire/Life Safety | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 |
| Fire Extinguishers-Contract | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fire Extinguishers-Supplies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Repairs/Maintenance | 0.00 | 0.00 | 0.00 | 1,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL SAFETY SERVICES | 1,200.00 | 540.00 | 540.00 | 1,500.00 | 540.00 | 640.00 | 1,210.00 | 540.00 | 540.00 | 1,210.00 | 540.00 | 540.00 |
| TOTAL REPAIRS & MAINTENANCE | | | | | | | | | | | | |
| | 10,511.00 | 12,211.00 | 7,261.00 | 11,561.00 | 10,481.00 | 9,353.00 | 12,141.00 | 8,385.00 | 7,911.00 | 9,721.00 | 9,161.00 | 9,561.00 |
| GENERAL & ADMINISTRATIVE | | | | | | | | | | | | |
| Advertising-Printed Media | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Advertising-Production Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Advertising-Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Barriers & Flags | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Collateral Materials | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Marketing-Other | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Mkt Studies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL GENERAL & ADMINISTRATIVE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | | | | | | | | | | | | |
| | 10,511.00 | 12,211.00 | 7,261.00 | 11,561.00 | 10,481.00 | 9,353.00 | 12,141.00 | 8,385.00 | 7,911.00 | 9,721.00 | 9,161.00 | 9,561.00 |

| 2005 Operating Budget Detailed By Month | | | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
| Lobby Furnishings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tenant Message Board | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tenant Functions & Parties | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Signage | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL LEASING & MARKETING | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ADMINISTRATIVE EXPENSES | | | | | | | | | | | | | |
| Accounting Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Answering Service | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Association Dues | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Audit Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bad Debt Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Banking Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Computer Services & Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Consulting Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Credit Verification Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dues & Subscriptions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Employee Mileage & Travel | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Employee Recognition | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Employee Recruiting | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Employee Training & Education | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Election & Legal Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Late Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Legal Counsel Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Licenses, Fees & Permits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Office Equipment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Office Supplies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Pagers | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Postage / Delivery | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Printing, Copying & Fax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Telephone | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Telephone-Cell Phones | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL ADMINISTRATIVE EXPENSES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| MANAGEMENT FEES | | | | | | | | | | | | | |
| Management Fee | 2,943.34 | 2,982.18 | 2,982.16 | 2,582.82 | 2,582.82 | 2,582.82 | 2,804.82 | 2,609.15 | 2,613.19 | 2,613.19 | 2,617.19 | 2,631.78 | 32,225.45 |
| CAM Management Fee | 468.41 | 468.41 | 468.41 | 407.11 | 407.11 | 407.11 | 407.11 | 407.11 | 407.11 | 407.11 | 407.11 | 407.11 | 5,068.25 |
| TOTAL MANAGEMENT FEE | 3,411.75 | 3,450.59 | 3,450.59 | 2,990.93 | 2,990.93 | 2,990.93 | 3,011.93 | 3,016.26 | 3,020.30 | 3,020.30 | 3,024.30 | 3,038.90 | 37,293.70 |
| INSURANCE | | | | | | | | | | | | | |
| Property/Liability Insurance | 743.00 | 743.00 | 743.00 | 743.00 | 743.00 | 743.00 | 743.00 | 743.00 | 743.00 | 743.00 | 743.00 | 743.00 | 8,916.00 |
| Insurance - Other 1 | 228.75 | 228.75 | 228.75 | 228.75 | 228.75 | 228.75 | 228.75 | 228.75 | 228.75 | 228.75 | 228.75 | 228.75 | 2,744.00 |
| TOTAL INSURANCE | 971.75 | 971.75 | 971.75 | 971.75 | 971.75 | 971.75 | 971.75 | 971.75 | 971.75 | 971.75 | 971.75 | 971.75 | 11,660.00 |
| PROPERTY TAXES | | | | | | | | | | | | | |
| Real Property Taxes | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 51,624.00 |
| Special Assessments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL PROPERTY TAXES | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 4,302.00 | 51,624.00 |
| TOTAL G & A EXPENSE | 8,685.50 | 8,694.34 | 8,694.34 | 8,243.68 | 8,243.68 | 8,243.68 | 9,285.68 | 8,290.01 | 8,294.05 | 8,294.05 | 8,298.05 | 8,312.85 | 100,576.00 |
| TOTAL RECOVERABLE EXPENSES | 25,788.63 | 26,739.47 | 21,616.47 | 26,166.81 | 24,177.91 | 23,104.81 | 26,715.81 | 22,261.14 | 21,780.18 | 24,503.18 | 23,473.18 | 24,732.78 | 291,050.26 |
| NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | |
| ADMINISTRATIVE EXPENSES | | | | | | | | | | | | | |
| Accounting Services | 0.00 | 0.00 | 0.00 | 0.00 | 6,350.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,350.00 |
| Answering Service | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Association Dues | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Audit Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bad Debt Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Banking Fees | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 16.00 | 15.00 | 15.00 | 180.00 |
| Computer Services & Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

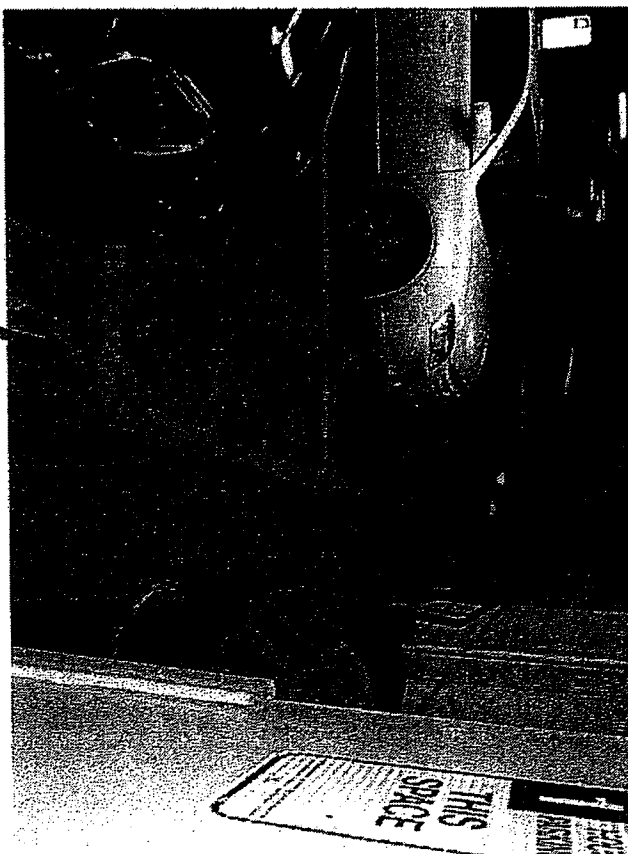
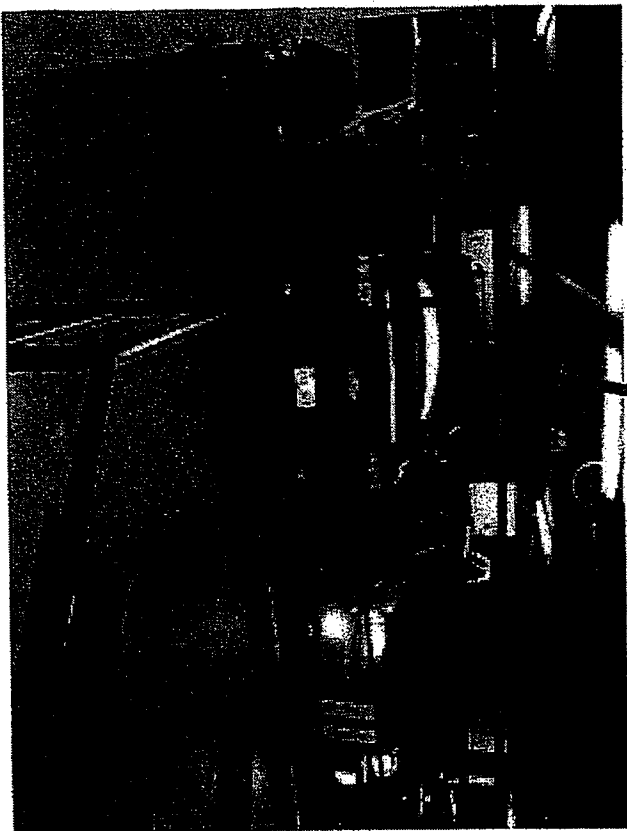
| 2009 Operating Budget Detailed By Month | | | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
| Mkt Studies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Lobby Furnishings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Lobby Message Board | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tenant Functions & Parties | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Signage | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL LEASING & MARKETING | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 3,000.00 |
| OTHER NON-RECOVERABLE EXPENSES | | | | | | | | | | | | | |
| Utilities: Electric Vacancy | 205.00 | 205.00 | 205.00 | 205.00 | 205.00 | 205.00 | 205.00 | 205.00 | 205.00 | 205.00 | 205.00 | 205.00 | 2,460.00 |
| Utilities: Gas Vacancy | 402.00 | 399.00 | 253.00 | 198.00 | 119.00 | 79.00 | 66.00 | 69.00 | 69.00 | 87.00 | 55.00 | 440.00 | 2,229.00 |
| Utilities: Water/Sewer Vacancy | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Trash Removal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tenant Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Broker Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Management Fee Incentive | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Auto Insurance | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Insurance - Other 2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Personal Property Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL OTHER NON-REC. EXPENSES | 607.00 | 599.00 | 458.00 | 401.00 | 324.00 | 284.00 | 261.00 | 274.00 | 274.00 | 302.00 | 260.00 | 645.00 | 4,599.00 |
| TOTAL NON-RECOVERABLE EXPENSES | 6,172.00 | 5,331.00 | 5,190.00 | 5,738.00 | 11,406.00 | 5,018.00 | 5,818.00 | 5,423.00 | 5,096.00 | 5,877.00 | 4,982.00 | 5,977.00 | 71,766.00 |
| TOTAL OPERATING EXPENSES | 31,958.63 | 32,070.47 | 28,808.47 | 31,924.81 | 35,593.81 | 28,190.81 | 32,333.81 | 27,684.14 | 26,798.18 | 30,380.18 | 28,465.18 | 30,709.78 | 382,824.26 |
| NET OPERATING INCOME | 65,675.18 | 60,384.24 | 71,848.34 | 53,515.02 | 49,860.02 | 57,322.02 | 54,160.02 | 58,317.99 | 59,916.09 | 58,322.89 | 58,937.99 | 56,459.29 | 708,183.80 |
| DEBT EXPENSE | | | | | | | | | | | | | |
| 1st Mortgage - Interest | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 502,149.86 |
| 2nd Mortgage - Interest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3rd Mortgage - Interest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Loan Costs Amortization | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL DEBT EXPENSE | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 41,845.83 | 502,149.86 |
| NOI WITH DEBT EXPENSE | 24,429.35 | 24,538.51 | 29,802.51 | 11,673.19 | 8,014.19 | 15,477.19 | 12,314.19 | 17,072.16 | 18,071.06 | 14,477.06 | 16,482.06 | 14,612.46 | 206,033.94 |
| DEPRECIATION EXPENSE | | | | | | | | | | | | | |
| Depreciation - Real Property | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation - Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation - Personal Property | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL DEPRECIATION | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NET INCOME | 24,429.35 | 24,538.51 | 29,802.51 | 11,673.19 | 8,014.19 | 15,477.19 | 12,314.19 | 17,072.16 | 18,071.06 | 14,477.06 | 16,482.06 | 14,612.46 | 206,033.94 |
| ADJUSTMENTS TO CASH | | | | | | | | | | | | | |
| 1st Mortgage - Principal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2nd Mortgage - Principal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3rd Mortgage - Principal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Escrow#1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Escrow#2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Escrow#3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Escrow#4 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Escrow#5 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Replacement Reserve | 698.33 | 698.33 | 698.33 | 698.33 | 698.33 | 698.33 | 698.33 | 698.33 | 698.33 | 698.33 | 698.33 | 698.33 | 8,379.86 |
| Tenant Leasing Reserve | 3,491.83 | 3,491.83 | 3,491.83 | 3,491.83 | 3,491.83 | 3,491.83 | 3,491.83 | 3,491.83 | 3,491.83 | 3,491.83 | 3,491.83 | 3,491.83 | 41,901.96 |
| Broker Commissions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tenant Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Building Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Land Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ADA Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Environmental Improvements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL ADJUSTMENTS TO CASH | 4,190.16 | 4,190.16 | 4,190.16 | 4,190.16 | 4,190.16 | 4,190.16 | 4,190.16 | 4,190.16 | 4,190.16 | 4,190.16 | 4,190.16 | 4,190.16 | 50,381.92 |
| NET CASH FLOW | 20,239.19 | 20,348.35 | 25,612.35 | 7,483.03 | 3,824.03 | 11,287.03 | 8,124.03 | 12,882.00 | 13,880.90 | 10,286.90 | 12,301.90 | 10,462.30 | 156,652.02 |

EXHIBIT B



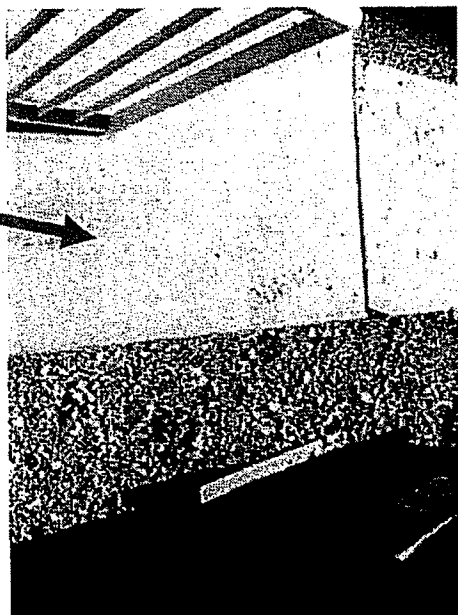
26 Inches from paint or bumper to rail.

SUV parked in illegal parking stall that does not exist on Plat.

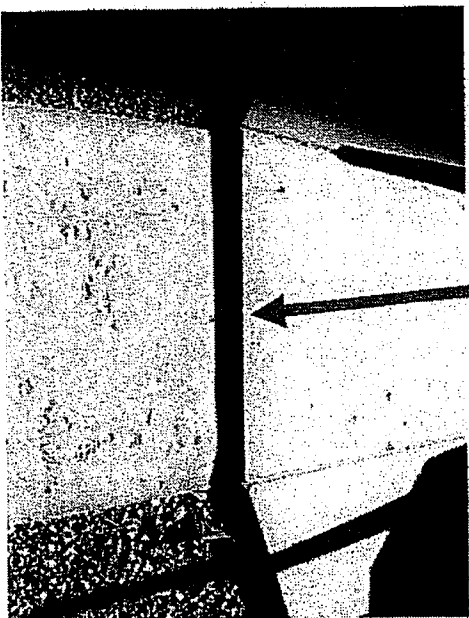


Attempt to become ADA compliant by moving bumpers.

EXHIBIT C



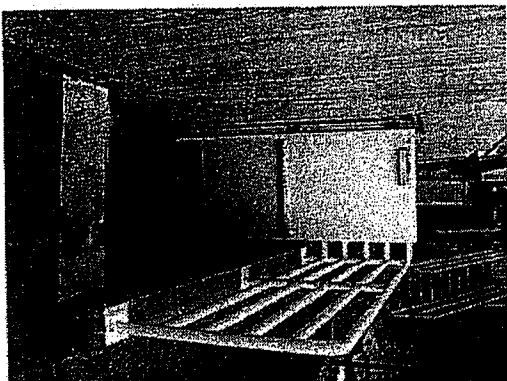
39 inches between rail and power box with only 22 inches of concrete and a 3 inch drop to gravel.



Stairwell is

only 36

inches wide.



Alley way is primary fire exit for three additional buildings. Front and back shots of how alley pinches down into what an architect deemed a death trap.

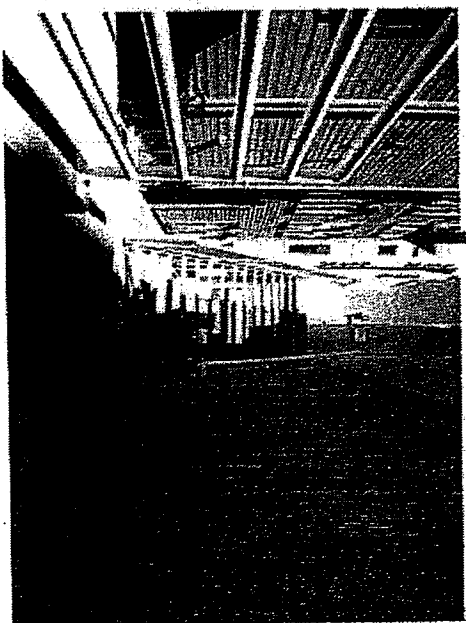
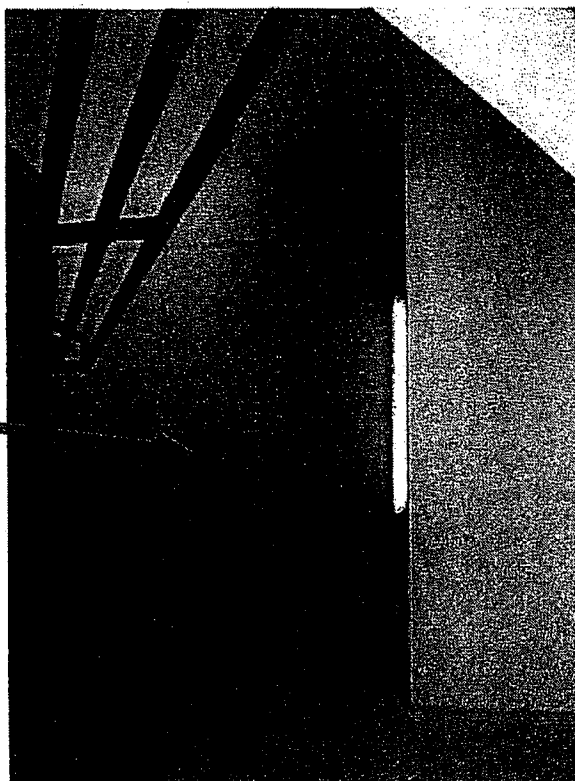
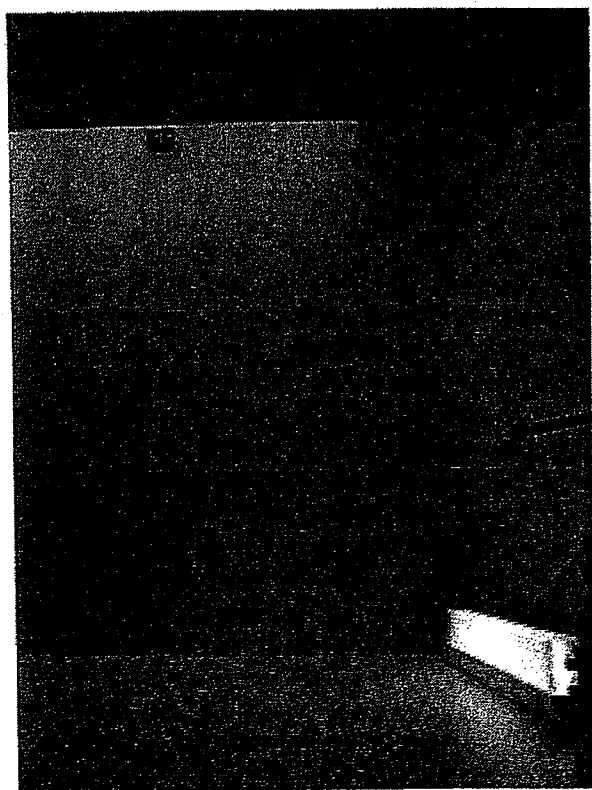


EXHIBIT D

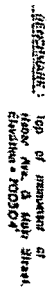


Exit is to the right. No
lit sign indicating
direction. To the left is
a barricade over the
stairs.



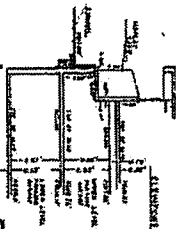
Wall to the right
with no indication
that it leads to an
exit.

EXHIBIT E



33444 STREET HATFIELD PARKING

Note drawn in area for ingress and egress where a stall now exists.



01-1 1/10 52011 1/10 52011

On 14th July 1945, the following information was received from the Ministry of Health regarding the death of James J. O'Connell, a resident of the St. Vincent's Hospital, Dublin, Ireland, who died on 14th July 1945, at the age of 45 years. The cause of death was recorded as "Myocardial Infarction". The Ministry of Health is of the opinion that the death was due to a natural cause, and that there was no evidence of foul play. The Ministry of Health is of the opinion that the death was due to a natural cause, and that there was no evidence of foul play. The Ministry of Health is of the opinion that the death was due to a natural cause, and that there was no evidence of foul play.

[illegible][illegible]

EXHIBIT F



29 inches between
rail and wall.

Exit for over 10 parking stalls
comes through this pinch point
and dumps into what is legally
supposed to be an empty stall
where the SUV is sitting.

